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ABSTRACT

Drawing on recent analyses carried out around the world, this paper demonstrates how economic and military insecurity feed on each other in various ways at both national and international levels. Following an introduction, material is presented in three parts. "The Military Sector and the Economy" outlines facts to demonstrate how military consumption of resources that would otherwise be available for economic and social development exacerbates resource-related tensions. Also examined are the hypothesis that military spending is good for the economy, the effect of military spending on inflation, and the economic effects of the arms trade. A second section examines the military's role in governments of developing nations. The third section outlines alternative approaches to security through multilateral initiatives and economic interdependence. (LP)

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DISARMAMENT AND DEVELOPMENT: SECURITY IN AN INTERDEPENDENT WORLD

In addition to its regular policy and analytical studies, the North-South Institute publishes occasional Briefing papers on current topics of wide interest in the field of international development. This Briefing is an attempt to condense some of the information and issues involved in the relationship between disarmament and development, drawing especially on some important analyses carried out around the world in recent years.

Key sources for this Briefing include the reports of two separate groups of experts appointed by the United Nations; the report of an independent international commission of eminent persons chaired by the Swedish prime minister, Olof Palme; and studies by academics and non-governmental groups in several countries.

The North-South Institute's work in this area is the result, in part, of the participation in 1980 and 1981 of its director, Bernard Wood, as the Canadian member of the UN Secretary-General's group of experts on the relationship between disarmament and development. He and the Institute's senior writer, Maxwell Brem, have taken an active part in the preparation of this Briefing. The Institute also wishes to acknowledge the research and writing contributions of Claus Spoerel, Gregory Wirick and Brent Copley.

INTRODUCTION

...the accumulation of weapons, particularly nuclear weapons, today constitutes much more of a threat than a protection for the future of mankind.[1]

Most governments have proved unwilling or unable to act on this blunt conclusion to the 1978 United Nations' Special Session on Disarmament, despite their unanimous assent to its accuracy. The quest for security through military superiority has continued in all parts of the world, with ever-rising levels of technological sophistication.

One frequently-cited index of the global arms build-up is the world's total military expenditure. It is expected in 1985 to pass the trillion dollar mark – one thousand billion U.S. dollars. The overwhelming destructive power represented by this expenditure is evidence of a gigantic diversion of world resources to the preparation and fighting of wars.

The largest weapons systems and expenditures – and the most insistent threats to the survival of humanity – are found in the arsenals of the two superpowers and their NATO and Warsaw Pact allies. These arsenals have continued to grow in size and sophistication, and international negotiations on limiting the vertical proliferation of nuclear arms — the build-up and technological upgrading of existing arsenals — have been largely ineffectual.

These trends, in a period of heightened suspicions and hostile rhetoric between the superpowers, have convinced many strategic experts and millions of ordinary citizens that the system of superpower deterrence has become increasingly precarious.

The same incubus of rising military competition is also infecting the South. Horizontal proliferation of nuclear weapons – the addition of new countries to the limited number currently possessing nuclear weapons – is one threat. The most dramatic increase in Third World armaments, however, has been in the area of conventional weapons, a matter of particular concern since regions of the Third World have served as the locus of most international conflicts since the Second World War, and of intense superpower rivalry.

Of the more than 100 military conflicts that have occurred since the end of the Second World War, almost all have taken place in the developing world. During the 1970s, military purchases by Third World governments increased rapidly, reaching approximately US$30 billion per year by 1982. Military spending by developing nations has risen fourfold in constant prices since 1960 (far faster than in developed countries) and now represents more than 20 percent of the world's total, twice its 1960 share.

The range and power of the new conventional weapons now available have contributed to the increasingly indiscriminate destruction that frequently characterizes regional and domestic conflicts. The trend appears to be toward heavier loss of life, larger refugee flows, greater economic disruption, and more widespread damage to essential services and infrastructure. Expensive humanitarian assistance efforts to combat the resulting tragedy of these wars threaten to compete for an even larger share of the limited funds available to Third World nations from their own sources and through development assistance. Yet at

[1] United Nations Office of Public Information, *Final Document of the Assembly Session on Disarmament*, 23 May – 1 July, 1978.

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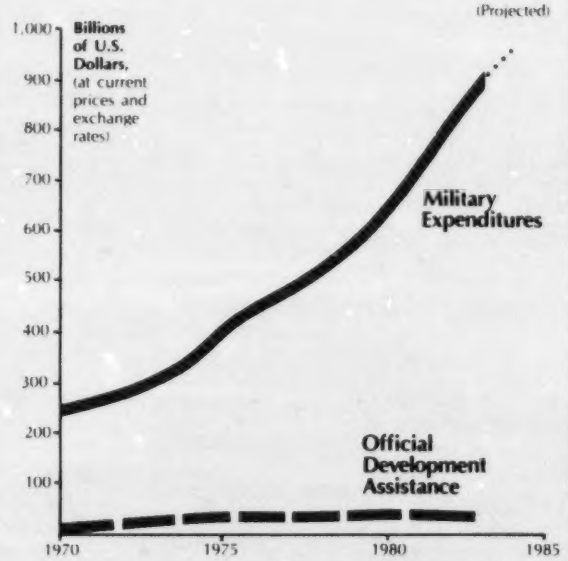
best, international relief and rehabilitation efforts can replace only a portion of the material and social base that is being destroyed.

The rationale that further military aid offers the prospect of stability in the long term through the establishment of new regional balances of power is conceivable in certain cases. An equally plausible result, however, could be ruinous arms races that would be profoundly destabilizing. In light of the trend toward polarization around an East-West view of security, there is a heightened danger of the superpowers being drawn into 'war by proxy' situations through the involvement of their allies and/or clients. Any one of a number of Southern troublespots has the potential to spark a conflict that could escalate into a global nuclear confrontation.

The huge waste of resources involved in military expenditure, especially in the face of widespread poverty and underdevelopment, has long been the subject of bitter criticism. The continuing contrast between world military spending (which in 1984 was calculated at US$970 billion) and official development assistance (the 1983 figure was US$36 billion) is striking (see Figure 1) and underlies repeated demands by developing countries for transfers from arms spending to development aid.

FIGURE 1

WORLD MILITARY EXPENDITURES AND OFFICIAL DEVELOPMENT ASSISTANCE, 1970-1984



Sources: for Military Expenditures — United States Arms Control and Disarmament Agency (ACDA), *World Military Expenditures and Arms Transfers* (various years).
for Official Development Assistance — Organisation for Economic Co-operation and Development (OECD), *Development Co-operation* (various years).

Note: Statistics on military expenditures and the arms trade are frequently inconsistent. As a result, the three main sources (ACDA, *World Military Expenditures and Arms Transfers;* Ruth Leger Sivard, *World Military and Social Expenditures;* and Stockholm International Peace Research Institute, *Yearbook of Armaments and Disarmament*) often do not agree. Any statistics, therefore, should be used with caution. Unless otherwise noted, this Briefing uses ACDA statistics.

In the 1980s, however, discussion of the relationship between disarmament and development has gone beyond the simple notion of the desirability of transferring funds from weapons procurement to development assistance and now attempts to take account of the following factors:

- The actual economic costs of military activities in terms of the human, material and financial resources diverted to military uses
- The effects of resource consumption for military purposes on growth, stability and distribution in national economies, and on international economic relationships
- The relationship between tensions, competition and conflicts rooted in economic factors on the one hand, and arms races and military expenditures on the other
- The political linkages among such phenomena as militarism, armaments, and the vast disparities in development and welfare, both within countries and among them
- The effects of military expenditures at their present level on the very health of the world economy and even its strongest national economies

These relationships are extremely complex and controversial. The remainder of this paper draws particularly on recent analyses to show how, in an interdependent age, economic and military insecurity feed on each other in various ways at both national and international levels. The findings clearly suggest that genuine processes of disarmament and development have the potential to transform this linkage from a vicious to a 'virtuous' circle, with clear benefits for all nations.

THE MILITARY SECTOR AND THE ECONOMY

Resources Consumed

The world's resources – whether human (skilled labour, especially), material (capital and technology) or natural (raw materials and fuels) – are very unevenly distributed, leading to pressures of scarcity, access and equity in the international community. With population, consumption and expectations increasing and fewer areas of the earth's surface left to explore and exploit, resource-related tensions between nations are almost certain to increase. Signs of this are already visible in the energy field, where elaborate military planning with a view to maintaining (or, presumably, obstructing) access to oil reserves is highly developed.

The military consumption of resources that would otherwise be available for economic and social development exacerbates resource-related tensions. The following are a few facts and observations taken from the growing body of data being compiled by the UN on the resource costs of the arms race.

- Over 70 million **people** were estimated to be directly or indirectly engaged in military activities worldwide in 1981. The recruitment of large numbers of skilled workers into the armed forces and defence industries restricts the quality of the labour force available to civilian employers.
- An important part of world **industrial production** is pre-empted or diverted from other uses by military requirements. Approximately 28 to 32 percent of military expenditure is given over to industrial production for military use. For 1982, this was equivalent to industrial output valued at roughly US$180 billion.

- In 1981, between 3 and 12 percent of production of a key group of 14 **minerals** was claimed for military consumption. For aluminium, copper, nickel and platinum, estimated global military consumption was greater than the demand for these minerals for all purposes in Africa, Asia and Latin America combined.
- The military demand for **land** is steadily rising due to the need for more military bases and testing sites for new weapons. Although military land requirements do not always compete with civilian uses such as agriculture, forestry or urban expansion, they are increasingly a source of concern due to the public health and environmental risks often inherent in weapons testing and storage.
- Military **research** now constitutes the largest single objective of scientific inquiry and development in the world today, consuming approximately one-quarter of total global investment in research and development (R and D). According to the UN, spending on military R and D in 1980 already was equal to the combined R and D investments in basic research, energy, health, transportation, information-processing, pollution control, agriculture, and other similar civilian areas. Of the world's three million scientists and engineers employed in scientific laboratories in 1980, approximately 500,000 were specifically engaged in military R and D. The 1982 UN report on the consequences of the arms race speculates that if military R and D expenditures since the Second World War had been channelled "to those areas of science and technology promising the most economic progress, the world would be today where it may not find itself, as far as technology is concerned, in the year 2000".[2]

Recent studies indicate that there is considerable potential for conversion of resources from military to civilian uses. In Sweden, for example, Inga Thorsson's 1984 report (published in response to the recommendation of a UN Expert Group for further study on the conversion process) has concluded that, in the Swedish case at least, conversion is both economically advantageous and technically feasible. The report stresses, however, that the process must be carefully planned, beginning *before* disarmament commences, so that defence-related industries can adapt to civilian production and marketing conditions.

Military Spending and Economic Health

Along with the reflexive human assumption that increased military strength is the way to achieve increased security, another popular notion, which is almost as widespread, is that military expenditure is 'good for the economy' and that military research contributes in a major way to civilian scientific and technological progress.

In reality, the bulk of analyses now show that the resources used for non-productive military purposes represent a drain on the health and prosperity of the economies concerned. According to the UN Expert Group, the fundamental reason for the negative effect of military expenditures is that,

> although military production is a part of the gross national product, it differs from other forms of output in that, by itself, it neither serves present consumption nor adds to productive capacity. The real burden of military expenditures are the civilian goods and services which could have been produced instead. Simply stated, the opportunity costs of the production of military goods and services are the foregone opportunities to produce civilian goods with the productive capacity (manpower, capital, technology and so forth) claimed by the military sector.[3]

Studies from various countries suggest that greater long-term and even short-term benefits, as regards both employment creation and other economic goals, can be generated by investing directly in the expansion of the productive sector to meet civilian needs. The Swedish report cited earlier, for example, calculated that Sweden's rate of aggregate economic growth would have been 0.1 percent higher each year if resources devoted to the defence sector since 1950 had instead been channelled into civilian production and consumption. As a result, Sweden's 1984 civil gross domestic product would have been some 12 percent higher than its actual level. Among public sector expenditures, military spending seems to provide fewer positive gains than investments in areas such as health care, education and transportation, which – although not directly responsible for increasing production – contribute to improving the productive potential of an economy.

The same conclusions hold true when assessing the value of 'spin-offs' from military research. Taken in isolation, these represent notable scientific and technological advances. However, when compared with the magnitude and cost of the R and D effort that could have been devoted to improving productivity and the quality of life instead of the quality of weapons, whatever spin-offs occur pale in relation to the tremendous opportunities for progress that have been wasted. The economic strength exhibited by Japan and West Germany in the 1960s and 1970s is often cited as an example of this relationship between lower rates of military expenditures, especially on military R and D, and above-average industrial productivity and economic growth. The Palme Commission summarizes the relationship as follows:

> Countries which spend heavily on military research – notably the United States and the United Kingdom – have a large scientific base, as measured by the proportion of GDP dedicated to research and development. But the civilian research effort of these countries has grown less rapidly than that of other large OECD countries, and is now smaller relative to GDP than in several other countries. From 1967 to 1979, total civilian R and D in the US, the UK, and France remained constant or declined as a share of GDP, while in West Germany and Japan they increased by almost 50 per cent.[4]

Military outlays of various kinds are also defended in terms of the immediate jobs and industrial orders they generate. As a general rule, however, the military is one of the least attractive avenues for public investment intended to stimulate economic growth and help create or maintain employment. The 1982 UN report suggests that US$1 billion of civilian expenditure in developed countries will create approximately two to four times more job opportunities than US$1 billion of military expenditure. This conclusion is derived from analysis of the employment characteristics of the armaments industries, such as its concentration in certain industries (e.g., aerospace and electronics), its capital intensity, its R and D intensity, and its

[2]See United Nations General Assembly, Report of the Secretary-General, *Economic and Social Consequences of the Arms Race and of Military Expenditures* (A/37/386, 27 September 1982), p. 29 (Hereafter: ESCAR).

[3]ESCAR, pp. 41-42.

[4]Independent Commission on Disarmament and Security Issues (Chairman: Olof Palme), *Common Security: A Blueprint for Survival* (New York: Simon and Schuster, 1982), p. 86.

Table 1

WORLD ARMS IMPORTS AND EXPORTS, 1972-82
(billions of constant 1981 U.S. dollars)

	1972	%	1974	%	1976	%	1978	%	1980	%	1981	%	1982	%
Imports														
Developed	5.8	(29)	5.8	(29)	6.3	(26)	6.0	(20)	6.5	(21)	6.9	(20)	6.2	(18)
Developing	14.4	(71)	14.2	(71)	18.1	(74)	24.0	(80)	24.2	(79)	27.5	(80)	28.2	(82)
Total	20.2	(100)	20.0	(100)	24.4	(100)	30.0	(100)	30.7	(100)	34.4	(100)	34.4	(100)
Exports														
Developed	18.4	(91)	19.5	(97)	23.2	(95)	28.5	(95)	28.5	(94)	31.2	(91)	29.6	(87)
Developing	1.8	(9)	0.5	(3)	1.3	(5)	1.4	(5)	1.9	(6)	3.1	(9)	4.6	(13)
Total	20.2	(100)	20.0	(100)	24.5	(100)	29.9	(100)	30.4	(100)	34.3	(100)	34.2	(100)

Source: Adapted from U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1972-1982* (Washington, D.C., April 1984), p. 53.

location in specific geographic regions. Because of these characteristics, jobs created by military expenditures are likely to absorb a higher than average portion of the most qualified catagories of skilled labour; namely, research personnel, engineers, technicians, and those with administrative and managerial skills. This pattern may aggravate labour shortages in specific skill categories, while drawing heavily on the output of educational and training institutions that would otherwise concentrate their resources on meeting the demand for skilled labour within the civilian sector.

The intrinsic government monopoly of the defence sector has also led to questions concerning the flexibility and productivity of the industrial capacity given over to military production. With governments as the principal buyers of today's expensive weapons systems, "buyer and seller collaborate in specifying the product and, to a reasonable approximation, price is established subsequently on the basis of the cost of meeting the specifications".[5] These specifications are defined by defence and security needs (which usually is taken to mean military equipment as good as or better than that being produced by potential adversaries). Since very high costs and cost over-runs in the development and production of armaments are often tolerated by governments because of the superceding argument of 'national security', defence industries generally need not be as concerned as civilian industries with responding to market pressures . As well, because of the 'strategic' argument for avoiding the vulnerability of reliance on imports, military procurement practices may result in inefficient industrial plants being shielded from international competition so as to ensure a continuing supply of domestically produced war materials.

Military Spending and Inflation

The 1982 UN report suggests that, because of the characteristics of military spending, "there can be little doubt that the effects of sustaining large military expenditures over a long period has [sic] contributed to current inflation and its persistence in times of economic recession and high unemployment".[6] First, such spending generates additional income, and hence, purchasing power, without producing equivalent consumable output or the capacity to meet future increases in consumer demand. This excess demand could be minimized or eliminated if the central government financed its military expenditures entirely through increased taxes. However, when, as is often the case, public borrowing or expansion of the money supply is involved, upward pressure on prices will result.

Second, the arms industry probably offers less resistance to increases in the cost of labour and other factors of production than do most other industries. It is highly capital- and technology-intensive in character, so that the share of labour costs is relatively small. But, perhaps more importantly (and for reasons suggested earlier), cost increases can more easily be passed on to 'the customer', since this is almost always the government. The resulting increases in factor costs may then spread to other sectors where such changes are not warranted by growth in productivity, forcing up their prices as well.

Third, the diversion of investment capital and R and D resources away from the civilian sector makes an economy more vulnerable to inflationary pressures by impeding long-term productivity growth. Finally, if military spending contributes to a balance of payments deficit in a reserve-currency country (like the United States), then inflationary pressures will be transmitted to other countries.

Effects of the Arms Trade

Yet another source of economic, as well as political, strain is the spiralling global arms trade, in particular the flow of armaments to developing countries. By 1982, world arms imports stood at US$34.4 billion (in constant 1981 dollars), of which US$28.2 billion, or 82 percent, went to developing countries (see Table 1). Accumulating evidence demonstrates that such transfers impose serious costs on recipient countries and, despite frequent assumptions to the contrary, on suppliers.

In theory, arms sales should provide several potential economic benefits to exporting countries: a means of recouping R and D and capital expenditures by expanding production runs, a positive contribution to balance of payments, and a stimulus to domestic employment. In practice, however, all of these benefits are diminished by other characteristics of arms production and trade.

[5]United Nations General Assembly, Report of the Secretary-General, *Study on the Relationship Between Disarmament and Development* (A/36/356, 5 October 1981), p. 117. (Hereafter: D&D).

[6]ESCAR, p. 47.

RISE OF THIRD WORLD ARMS PRODUCERS

Prior to the mid-1960s, arms transfers tended to take place primarily among developed countries. Since that time, the direction of trade has shifted to the point that the vast majority of world arms exports are now destined for developing countries – particularly, it should be noted, the troubled regions of North Africa and the Middle East. More recently, in the 1980s, a further change has begun to take place, owing to the growth of arms production and exports by developing countries themselves.

As Table 1 shows, the majority of arms exports still originate in developed countries. Within the North, moreover, supply is heavily concentrated among a few countries – the U.S. and the U.S.S.R. alone accounted for 56.3 percent of world arms exports in 1982. The extent of this concentration, however, has declined significantly since the 1970s, due to the rising influence of smaller producing countries, both developed and developing. Brazil, South Korea, India, China, South Africa and Israel have all developed or expanded indigenous industries and are actively seeking export markets. This phenomenon has been aided by co-production agreements which, by means of licensing arrangements, enable developing countries to obtain the knowledge to manufacture or assemble new weapons systems. More than 24 developing countries now participate in such agreements, and some, such as Brazil, have also begun to develop indigenous arms production technology.

While the total share of developing countries in world arms exports remains small, it is rising quickly, largely due to rapid advances by a few countries such as China and Brazil. China's arms exports jumped from US$370 million in 1981 to US$943 million in 1982, and Brazil's from US$150 million to US$589 million (all figures in constant 1981 dollars). Recent reports suggest that Brazil's arms exports in 1984 might reach US$3 billion.[1]

Developing countries' motivations for increasing the growth of arms production and exports are essentially the same as those of developed country producers – a mixture of economic benefits (balance of payments support, employment creation, economies of scale, R and D spin-offs) and political influence and prestige. The negative economic effects of arms production on the newcomers are also likely to be similar, including inefficient use of resources, low job-creation potential and inflationary pressures. Such costs may prove particularly damaging to developing country producers, whose resources are already spread very thinly. As the relative importance of arms exports to certain developing economies increases, so too will the costs of an economic strategy that includes a reliance on arms sales.

The widening club of arms-exporting nations has been accompanied by a marked qualitative change in the global arms trade. Originally, industrialized suppliers tended to transfer obsolete weapons as a means of clearing inventories, but in the mid-1980s, many of the arms sold are among the most sophisticated available – at least partially because of increased competition in lower technology markets. One consequence is the heating up of regional arms races among buyers. When one country acquires a new weapon, other countries in the same region are keen to obtain similar weapons. In 1960, only two developing countries had long-range surface-to-air missiles. By the mid-1970s, 27 countries had them. Again, in 1960, only four had supersonic combat aircraft, whereas 47 nations possessed them in 1977. In this sense, the growth of Third World suppliers may not lead to a displacement of established suppliers, but simply shift their attention to new, more destructive (and, of course, more expensive) weapons.

[1]John Hoyt Williams, "A New Giant in the Arms Industry", *The Atlantic* (August 1984), p. 26.

There is considerable validity to the argument that arms exports promote economies of scale through longer production runs – and, to this extent, the arms trade is partly fuelled by the pressures of arms acquisition in exporting countries. On the other hand, reliance on uncertain and fluctuating export agreements may result in considerable excess productive capacity in the short term, particularly in countries such as Brazil where 95 percent of total arms production is exported. Productivity gains resulting from economies of scale might thus be offset by productivity losses for other reasons.

Arms analyst Andrew J. Pierre has also noted that, even in the major producing countries, arms exports are a relatively small element in total exports (about 4-5 percent for the United States and France in 1980, and about 3-4 percent for Britain). As a result, none of the major suppliers is particularly dependent on arms exports for balance of payments purposes. It is also noteworthy that many arms sales are made on such heavily subsidized terms as to be, in effect, giveaways. Even where a repayment component is expected, the weapons invoices are often just part of an accumulating (and ultimately fictional) debt load for some of the countries that are among the heaviest importers.

The small percentage of total exports accounted for by armaments should also place in perspective the job-creation potential of such exports, as should the relatively high capital intensity of defence industry production. There are indications that the contribution of the arms trade to employment lags well behind its contribution to aggregate economic output. In the case of Sweden, for example, data from the Thorsson report show that in 1983, defence industry exports represented approximately 0.37 percent of

Sweden's gross domestic product, but only 0.14 percent of total employment. Even if the multiplier effect of defence expenditure on production and employment in other sectors is taken into account, the evidence suggests that total job creation is likely to remain low in relation to other industries.

Even less of a case can be made for economic benefits accruing to recipient nations, though it is true that some expenditures associated with weapons purchases involve the creation of a national infrastructure – such as roads and airfields – which can then also be employed for non-military purposes. In fact, of course, the same sort of advantages could be more fully enjoyed by direct spending on social and economic needs. At present these needs are being glaringly shortchanged by military expenditures in many countries. Moreover, as the export price of weapons rises in accordance with their increasing sophistication, Third World nations must reach more deeply into foreign exchange reserves to pay for their imports. Especially with primary commodity prices remaining low in relation to the escalating prices of military equipment, the costs of keeping an army up-to-date require many developing nations to allocate an ever greater portion of their export earnings to military expenditures.

The rapid increase in arms imports also threatens to absorb an expanding portion of the external financial resources now flowing to the developing world. Since 1961, arms purchases by developing countries have risen more than twice as fast as official development assistance, although growth rates have evened out somewhat in recent years. As well, the arms trade is a major contributor to the external debt burden of developing countries. The 1983 Sivard report states that, in 20 of the largest debtor nations, arms imports between 1976 and 1980 represented 20 percent of the increase in debt, while in four of the 20 the figure was 40 percent or more.

Recent trends in Third World imports seem to bear evidence of a slowing of the arms trade, according to some analysts. The most current data available show some reversal of growth in 1983 in both arms deliveries and arms transfer agreements – which give some indication of future arms deliveries.[7] However, there are indications that this decrease is largely due to a series of factors that may prove to be quite short-term – among them, declining revenues for Middle Eastern oil-producing countries, the withdrawal from the market of such heavy purchasers as Iran, the enormous debt load of many developing countries, and the completion by many countries of procurement programs begun in the 1970s.

The arms trade must be seen in political as well as military and economic terms, and the weight of political factors suggests that arms transfers are more likely to increase than decrease in the long term. Unless some form of negotiated limitations can be achieved, weapons transfers will be a major factor in continuing East-West competition in the Third World. Moreover, as regional political and economic powers come to the fore, they will seek commensurate military power, through both continuing or increasing weapons purchases and, in some cases, domestic arms production and exports.

[7]Richard F. Grimmett, *Trends in Conventional Arms Transfers to the Third World by Major Suppliers, 1976-1983* (Library of Congress Report No. 82-84F, May 7, 1984).

THE MILITARY, POLITICS AND DEVELOPMENT PROBLEMS

Currently, the armed forces play a major role – either directly or indirectly – in the governments of almost half the world's developing countries. Sivard's 1983 survey of 114 developing nations concluded that 56 could be classified as coming under direct or indirect military control.

The reasons for the rise of the military as a force in domestic politics are complex and varied, and many are obviously part of the dynamics of the societies themselves, but a few key international factors also stand out. Certainly, superpower competition is one factor, given the predominantly military flavour of East-West rivalry; despite human rights violations and frequently poor economic records, military-controlled governments continue to draw sustenance from the aid and credits offered by both NATO and Warsaw Pact countries for 'strategic' reasons.

As well, the political vacuum, which was often the legacy of colonialism, has added to the problem. Not only do artificial colonial boundaries often contribute to regional conflicts and tensions – thus strengthening the overall role of the military – but the lack of strong governmental institutions has also often been a temptation to outside interests, as well as to domestic factions and the military hierarchy itself, to use the armed forces to impose their particular conceptions of order. Finally, it is often suggested that the usual preference (within and outside developing countries) for development strategies based on 'top-down' planning and large infrastructural projects makes the type of strong, centralized control represented by authoritarian governments all the more attractive.

For a period in the 1950s and 1960s, there was even a widely-held theory that military government was intrinsically appropriate and beneficial for developing countries. Despite this optimism about the 'modernizing soldier', the social and economic records of military governments have usually been poor. To be sure, there have been instances of efficient and reform-minded military governments, but such regimes are undoubtedly a minority. All too often, regimes maintained by military force are associated not only with a fair share of general economic mismanagement and corruption, but also with the suspension of freedoms and the repression of civilian populations. According to Sivard, 48 of 56 military-controlled regimes used official violence against their own citizens in 1982, compared with only 35 of 58 'other' governments.

In addition, because of their military bias, military-controlled regimes may produce special distortions in national economic priorities, adding to the hardships faced by many developing countries. It is worth noting that there is no invariable correlation between military government and high levels of military expenditure; for instance Brazil, despite a long period of military rule, devoted less than one percent of the GNP to military expenditures in 1980, far below the average for developing countries. Nonetheless, other statistics do show a relationship between military rule and excessive military spending. Of the 16 developing countries which, according to the U.S. Arms Control and Disarmament Agency, devoted 10 percent or more of their GNP to defence in 1982, 12 are on Sivard's list of military-controlled governments.

Hopes have been raised during the 1980s by the experience of several Latin American countries where, notwithstanding a tradition of military involvement in politics, armed forces have begun to hand over power to civilian authorities. From a global perspective, it is important not to exaggerate the significance of this phenomenon. To date, it has arisen only in a handful of Latin American countries and shows no signs of spreading to other regions, such as Africa, where military coups and military rule are perhaps more prevalent than ever. Moreover, transition to *de jure* civilian government is no guarantee that military influence will decline dramatically or durably, or that human rights violations and economic distortions generated by the military sector will disappear.

For much of the Third World, neither the power nor the extensive roles of the military are likely to disappear, but the potential exists to radically redefine both, in ways that are much more conducive to economic, social and political development. There are signs of attempts at such a process in some countries, but, to be successful, it will call for great skill and creativity by all elements in the countries concerned, and prudent but tangible encouragement from the broader regional and international communities. Part of the challenge will be in building new approaches to national and international security, and new standards of acceptable and useful military roles.

A NEW APPROACH TO SECURITY

While there is general agreement that the competitive pursuit of superior military strength is a costly and highly dangerous way to seek security, nation-states and international institutions historically have not yet shown themselves capable of producing any durable alternative system. Over the last decade, however, both the potential for global nuclear destruction and the realities of an interdependent world have begun to force a basic re-examination of the very meaning of security as well as ways of achieving it.

Those who focus on disarmament/development issues usually attach considerable importance to halting further development and deployment of nuclear weapons and, where possible, to reducing nuclear stockpiles. They also emphasize the need for all nations to make a concerted effort toward building mutual confidence and cooperation, thus reducing the risk of war. A prerequisite of this 'second track' approach is to strengthen multilateral institutions, restoring or improving their ability to promote cooperation and mediate disputes in both the political and economic spheres.

After both the First and Second World Wars, shattered and exhausted nation-states came together to establish international organizations that would prevent or, at the very least, constrain future wars. The United Nations was created in this way, with great hopes, in the ashes and horror of 1945. Over the intervening years, however, the influence of the UN seems to have been eroded together with the memories of its *raison d'être*. One important underlying cause clearly has been the continuing rivalry between the superpowers. Their chronic abuse of international organizations as an arena for mutual hostility, and their unwillingness to support or use the UN to help resolve problems in which they have a serious stake, breeds cynicism and despair about the organization that was called the "last best hope of mankind".

If international security is to be realized in the kind of fragile interdependent world that exists today, present international institutions must urgently be restructured and strengthened rather than allowed to decline through neglect. Although the UN and other international bodies are often criticized as cumbersome and ineffective, they remain the only viable channels for effective negotiations and coordinated action on topics vital to all nations: trade, finance, employment, economic growth and development, human rights, natural resources and the environment and, of course, peace and war.

Scope for Multilateral Initiatives

Particularly to help mark the fortieth anniversary of the United Nations in 1985, a number of substantial efforts have been undertaken, with Canada as a leading participant, to help revitalize and strengthen the organization. These efforts at reform – whether measures to strengthen the role of the Security Council or the Secretary General, or 'housekeeping' reforms to make UN committees and secretariats operate more smoothly and effectively – are all part of the work of updating, adapting, and reinvigorating the international machinery of cooperation in an interdependent world. Similarly, initiatives to strengthen the 'Bretton Woods' system of financial institutions and the General Agreement on Tariffs and Trade (to respond to the needs of a more diverse and interdependent world economy) should be seen as an integral part of security-building. In the more traditional areas of peace and security and conflict resolution, there are specific measures open for constructive initiatives and support by countries like Canada.

Among the avenues that might be explored is an attempt to revive the UN's Special Committee on Peacekeeping Operations which was organized in 1965. Better known as the Committee of 33 (for the 33 member nations involved, Canada among them), its mandate was to undertake a comprehensive review of peacekeeping operations. After having been virtually moribund from 1979 to 1982, a breakthrough of sorts was made in 1983 with a resolution indicating that the committee should continue its work. Canada has proposed various initiatives to the committee, including a standby unit of peacekeeping forces which would train and work together on a permanent basis. For all its frustrations and imperfections, peacekeeping has by no means outlived its usefulness, and the recent experience in Lebanon has been seen by many as a reminder of some of the practical advantages of UN auspices. Many experts see a potential for more frequent deployment of peacekeepers in crisis situations with real benefits in defusing or containing conflicts, and, in the process, increasing confidence and enhancing security in various regions of the world.

Other ideas discussed particularly at the United Nations, but not put into practice, include the creation of regional working groups to examine aspects of the arms transfer problem on a regional basis, and the establishment of a compulsory register of all arms transfers. Such working groups, either under the aegis of the Security Council or the Committee on Disarmament in Geneva, could be a very useful initiative. There is some question as to whether the register would have a very dramatic impact. Although complete data are not available, a great deal of information on arms transfers is already in the public domain thanks to the efforts of several governmental agencies and private research institutions, but it has had little, if any, noticeable effect on the arms transfer policies of any governments.

In the area of conventional arms sales, it may be possible to build upon the limited progress made at the U.S.-U.S.S.R. Conventional Arms Transfer (CAT) Talks of 1977-78. The talks broke down as a result of disputes within the U.S. bureaucracy and the breakdown of détente following the Soviet invasion of Afghanistan. Before their end, however, a framework had been agreed upon whereby discussions would ensue to prohibit transfers of certain types of weapons, such as long-range surface-to-air missiles or arms of particular interest to terrorists. In addition, there was to be an open exchange of views on arms sales on a region-to-region basis. There would be obvious advantages if any future talks of this nature could be multilateral rather than bilateral, involving all principal arms suppliers.

Finally, an initiative that has priority with the new Canadian government is the establishment of a Nuclear Test Ban Treaty. Discussions on establishing a suitable mechanism to pursue this objective took place in 1984 at the Conference on Disarmament in Geneva. Douglas Roche, the Canadian Ambassador for Disarmament, has noted that for many adherents of the Nuclear Non-Proliferation Treaty, due to be reviewed in 1985, "progress toward a Test Ban is a litmus test of the efficacy of the Treaty".[8] With the future of humanity increasingly at risk, the need for discussion, mediation and negotiation is greater now than ever before.

The fabric of multilateralism need not be restricted only to global forums like the UN. When the European Economic Community was conceived, for example, one of its major objectives was to make war impossible in fractious Europe by promoting closer economic and social links and the political means to manage them. Links can also be established between regional or political alliances. Despite the fragility of the economic and social ties that were built up between East and West during the era of détente, it is clear that a loose fabric was being woven across the East-West divide. Its potential for reducing suspicions, hostile rhetoric and military competition was just beginning to be felt before mutual recriminations unravelled it. Nevertheless, the possibility remains of restoring a climate of limited cooperation which would automatically improve the prospects for arms control agreements between East and West.

Economic Interdependence

The world is slowly emerging from the second worst recession of this century, a slump that has seriously set back development efforts and particularly hurt the world's poorest countries. As the Brandt Commission drove home to public opinion around the world, global economic growth and the continuing prosperity of the industrialized nations are linked to the health and future prospects of economies in the developing world. The international debt crisis, the worldwide threat of environmental degradation, and continuing explosive population growth in some regions are all reminders of today's inescapable sharing of world problems.

International economic cooperation through expanded trade, improved access to markets and raw materials, as well as the financing and technology needed for development, have the potential to improve economic conditions in all countries and reduce the mistrust and unilateralism which tend to feed on each other. Curbing the global arms build-up would have an even more salutary effect, for it would not only ease international tensions, but would also release substantial resources for the reduction of poverty worldwide.

Perhaps the increasing determination of governments to stimulate economic recovery and reduce inflation, unemployment and budget deficits will quicken informed debate and direct greater attention to the effect of military spending on the health of national economies. A wider acknowledgment that the arms race has become an unaffordable luxury would undoubtedly hasten the search for ways to limit and ultimately reduce the world's growing arsenals.

Ruth Leger Sivard's 1982 report indicates that present rates of military expansion would result in an additional staggering US$15 trillion in defence expenditures by the year 2000. The 1981 UN study spells out the choice involved:

> the world can either continue to pursue the arms race with characteristic vigor or move consciously and with deliberate speed toward a more stable and balanced social and economic development within a more sustainable international economic and political order. It cannot do both.[9]

[8]Douglas Roche, "Inch-by-Inch Towards Peace", An address to the Canadian Conference on Nuclear War, Vancouver, October 20, 1984.

[9]D&D, p. 161.

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